



Grande Prairie Regional College
Department of Business and Office Administration

COURSE OUTLINE – FALL 2015

AC4600 A2 PRINCIPLES OF AUDITING (3-0-2) 75 HOURS

INSTRUCTOR: Pat Coristine CPA CA **PHONE:** 780.539.2895
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OFFICE HOURS: T/Th 0930-1100

PREREQUISITE(S)/COREQUISITE:

Prerequisite BA 2110, Intermediate Accounting I and Co-requisite BA 2120, Intermediate Accounting II, or equivalents

REQUIRED TEXT/RESOURCE MATERIALS:

Auditing A Practical Approach, Extended Canadian Edition, Robyn Moroney, Fiona Campbell, Jane Hamilton, Valerie Warren, John Wiley & Sons Canada Ltd., Toronto, Ontario, 2015.
This text will be used extensively.

CALENDAR DESCRIPTION:

[This course examines the role of the external auditor and financial reporting, the role of the internal auditor and internal control, and operational auditing.](#)

CREDIT/CONTACT HOURS:

This is a 3 credit course with 3 lecture and 2 lab hours per week.

The amount of material to be covered is significant as the text will be covered in one semester. The depth of coverage will vary by chapter, with some chapters being covered in great detail, and others much less.

DELIVERY MODE(S):

The course will introduce current financial statement auditing theory and practice with an emphasis on the practical application of auditing techniques and procedures from the perspective of the auditor. The decision making processes as relates to auditing practice and the exercise of professional judgement in the context of practical situations will be major

components of this course. Canadian Auditing Standards (CASs) and other Canadian reference materials will be used to provide this course with an emphasis on Canadian auditing theory and practice. However, due to the international development of auditing, reference to both British and American legal cases and practices will be made. International Auditing Standards (IAS) will be referenced where applicable.

The course will be offered as three hours instruction and two hours lab per week for a total of five hours per week. The allocation of instructional time and lab time will be at the Instructor's discretion.

- For each topic listed, there will be a classroom lecture/discussion and a demonstration of related auditing concepts and procedures. Relevant textbook readings and problems will be assigned, and your knowledge, understanding and application of the material will be tested. Topic quizzes will be administered either on paper during the weekly lab or electronically.
- The Final Examination will consist of multiple choice questions, exercises and problems.
- Regular classroom attendance is expected. Each assigned reading should be studied both before and after it is discussed in class. Homework assignments, whether or not handed in should be completed to develop your understanding and application of the principles and practices.
- Assignments should be considered as professional submissions or presentations that would be prepared for either a supervisor or client. Therefore assignments should be neat (but not necessarily typed or computer generated), should contain proper spelling and grammar, should be in the appropriate format for accounting statements and should communicate the required information in an efficient effective manner. Marks may be deducted if an assignment does not meet the above criteria.
- This course requires a great deal of time and effort so plan your schedule accordingly. Do not fall behind in the assigned readings and problems.
- **Moodle** is a Learning Management System used to improve communications between the Student and the Instructor. Important dates, documents and announcements will be posted on **Moodle**, and e-mails from the Instructor to the class will be sent using **Moodle** and/or GPRC e-mail.
- **PowerPoint** slides will be used, and will be available for down load from **Moodle**.
- Unofficial Student marks will be posted on **Moodle**. Official Final Grades will be communicated via Student Services.

COURSE OBJECTIVES:

The following objectives will be covered in this course:

- Introduction to audit and assurance
- Ethical and legal background of audit
- Audit planning and audit evidence
- Sampling and risk related to audit
- Internal control evaluation and testing
- Substantive testing
- Auditing in specific financial statement cycles
- Completion of the audit and audit reporting

LEARNING OUTCOMES:

Upon successful completion of this course, the student will be able to demonstrate knowledge, understanding and application, where appropriate, of:

- The auditing profession, its history, its present and its future
- Ethics and legal liabilities of auditors
- Fundamentals of audit planning
- Audit evidence
- The role of sampling
- Overview of the risk response phase of the audit
- The importance of and the testing of clients' internal control systems
- Performance of substantive procedures
- Application of the audit process to the sales and collection cycle
- Application of the audit process to other financial statement cycles
- Completion of the audit

TRANSFERABILITY:

** Grade of D or D+ may not be acceptable for transfer to other post-secondary institutions. Students are cautioned that it is their responsibility to contact the receiving institutions to ensure transferability. AC 4600 is acceptable for university transfer or transfer to professional organizations eg. CPA Alberta. Students can also refer to the Alberta Transfer Guide at <http://www.acat.gov.ab.ca> for a list of institutions. Students are ***strongly advised*** to check with the receiving institution or professional organization for more details and to ensure transferability

GRADING CRITERIA:

| | | |
|-------------|---------------------------------|-----|
| Quizzes | 3 @ 5% each after Chpt 4, 8, 10 | 15% |
| Assignments | 3 @ 10% each | 30% |
| Case | 1 @ 25% | 25% |
| Final | Cumulative | 30% |

Grading Conversion Chart

| Alpha Grade | 4-point Equivalent | Percentage Guidelines | Designation |
|----------------|--------------------|-----------------------|--|
| A ⁺ | 4 | 90 – 100 | EXCELLENT |
| A | 4 | 85 -89 | |
| A ⁻ | 3.7 | 80 – 84 | FIRST CLASS STANDING |
| B ⁺ | 3.3 | 76 – 79 | |
| B | 3 | 73 – 75 | GOOD |
| B ⁻ | 2.7 | 70 - 72 | |
| C ⁺ | 2.3 | 67 – 69 | SATISFACTORY |
| C | 2 | 64 – 66 | |
| C ⁻ | 1.7 | 60 – 63 | |
| D ⁺ | 1.3 | 55 – 59 | MINIMAL PASS—may not be accepted for transfer purposes |
| D | 1 | 50 – 54 | |
| F | 0 | 0 – 49 | FAIL |

EXAMINATIONS:

Final examinations will be scheduled by the registrar's office during the period ending December 19, 2015. **Do not plan any activities during this period!!!** Dates for quizzes, and assignments will be announced in class as required during the semester.

Examinations will be closed book. Examinations will consist of Multiple Choice questions, short answer questions and detailed problems. Students will be allowed to use approved financial or scientific calculators (calculator functions on cell phones ARE NOT appropriate), approved translation devices and pen or pencil. Examinations are to be written at the scheduled time and in the scheduled classroom/examination room. Individual requests for rescheduling of exams or quizzes will be entertained **solely at the Instructor's discretion**, and **will not be considered** after an exam or quiz has been written.

STUDENT RESPONSIBILITIES:

Moodle and GPRC e-mail will be used to communicate important announcements and supplemental material. Students are responsible for checking their GPRC e-mail accounts regularly.

Regular classroom attendance is expected. You should study each assigned reading both before and after it is discussed in class and apply your understanding by completing the required homework problems—both hand-in and in-class.

If you must be absent, then it is your professional responsibility to e-mail or phone your Instructor and it is your responsibility to catch up on material that was missed.

This course requires a significant investment of time outside the classroom, and is incremental.

Assignments are to be submitted by the end of the class on the due date. Late submissions may be subject to penalty. Assignments may be submitted electronically in either Word or Excel to the Instructor's personal GPRC e-mail: pcoristine@gprc.ab.ca. No assignments will be accepted once marked assignments have been returned to the class. Assignments should be considered as professional submissions/presentations that would be prepared for either a supervisor or client. Therefore the assignments should be neat (but not necessarily typed nor computer generated), should contain proper spelling and grammar, and should be in the appropriate format for accounting information or statements.

Students are encouraged to work with each other when completing assignments, but each student will submit an original discreet assignment. Please see the section on Plagiarism.

Quizzes will be given throughout the semester.

Calculators and approved translation devices are the only electronic devices allowed during quizzes, tests or examinations. **THE CALCULATOR FUNCTION ON CELL PHONES, SMART PHONES OR SIMILAR DEVICES IS NOT APPROPRIATE, AND THEREFORE THESE DEVICES CANNOT BE SUBSTITUTED FOR CALCULATORS.**

STATEMENT ON PLAGIARISM AND CHEATING:

Please refer to the College calendar regarding plagiarism, cheating and the resultant penalties. These are serious issues and will be dealt with severely.

COURSE SCHEDULE/TENTATIVE TIMELINE:

| Week Commencing | Chapter | Topic |
|-----------------|------------|--|
| September 2 | 1 | Introduction and overview of Audit and Assurance |
| September 9 | 2 | Ethics, legal liability and client acceptance |
| September 14 | 3 & 4 | Audit planning |
| September 28 | 5 | Audit evidence |
| October 5 | 6 | Sampling and the risk response phase |
| October 14 | 7 | Understanding and testing internal controls |
| October 26 | 8 | Execution of the audit and substantive testing |
| November 2 | 9 | Sales and receivables |
| November 9 | 10, 11, 12 | Auditing other cycles and accounts |
| November 30 | 13 | Completing and reporting on the audit |

NOTE: Dates may vary at the discretion of the instructor.